

NOTICE OF CLAIMS SUBMITTAL PROCESS

MONTANA FIRST JUDICIAL DISTRICT, LEWIS AND CLARK COUNTY, MONTANA

State Auditor, *ex officio* Securities Commissioner for the State of Montana

v.

Cornerstone Financial Corporation, *et al.*

Case No.: CDV-2009-157

A STATE COURT ORDERED THIS NOTICE.

IMPORTANT--PLEASE READ

If you have a claim or potential claim against either Cornerstone Financial Corporation, D&D Management and Property Development, Inc., K&B Investments, Keith B. Kovick, Robert Congdon, Dan Wolsky, Dan Klemann or any related entity (collectively, the "Respondents"), you are required to submit a Proof of Claim in order to participate in any distribution of assets in this Case.

The District Court has entered an Order, a copy of which is provided herewith, approving a process by which creditors or potential creditors of the Respondents can submit claims and participate in the liquidation of assets of the Respondents. The State Auditor has alleged that the Respondents have engaged in one or more schemes to defraud or otherwise deceive investors, borrowers and lenders. In order to resolve these allegations, Eric Nord and the law firm of Crist, Krogh & Nord, LLC has been appointed Receiver of the Respondents for the purpose of liquidating the Respondents' assets and distributing them to the approved participants in this Claims Process (the "Creditors").

If you have a claim or potential claim against any of the Respondents, your legal rights are affected by this Case, and you have a choice to make right now:

YOUR LEGAL RIGHTS & OPTIONS	
SUBMIT A CLAIM	Participate in the Claims Process by submitting a Proof of Claim. By completing and returning the Proof of Claim provided herewith, you will be part of the claims process in this Case and may be entitled to receive a cash payment if your Proof of Claim is approved by the Court. IN ADDITION, BY PARTICIPATING IN THE CLAIMS PROCESS, YOU WILL BE DEEMED TO HAVE WAIVED ALL OF YOUR OTHER LEGAL RIGHTS AND REMEDIES AGAINST THE RESPONDENTS. PLEASE CONSULT WITH YOUR LEGAL COUNSEL AS TO WHETHER YOU SHOULD SUBMIT A CLAIM. You must submit your Proof of Claim no later than December 30, 2009.
DO NOT SUBMIT A CLAIM	Do Not Participate in the Claims Process. You may decide not to participate in the claims process in this case. If you decide not to participate, however, you will not be entitled to receive any funds from the assets liquidated by the Receiver in this Case. Moreover, if you have filed a separate action against any of the Respondents, the Receiver may appear in that case, ask the Court to stay the proceedings, and direct you to file a Proof of Claim in this Case.
OBJECT TO THE CLAIMS PROCESS	You May Object to the Claims Process or any of its terms, and urge that the Court not approve any aspect thereof. To object to the Claims Process, or any aspect thereof, you must provide a written objection to the Court, the Receiver and the State Auditor. A hearing will then be held by the Court on your objection.
ASK TO BE EXCLUDED	You May Ask the Court to Be Excluded From the Claims Process, Get No benefits from the Claims Process but Keep Your Rights. You may request the Court to be excluded or "opt out" of the Claims Process. In that situation, you will <i>not</i> share in any proceeds from the Claims Process and you will <i>not</i> be permitted to object to the terms of any distribution under the Claims Process, but, you will keep any rights you may have to sue Respondents separately for the same legal claims asserted in this lawsuit. To be excluded, you must submit a request to the Court, the Receiver, and the State Auditor no later than December 30, 2009. A hearing will then be held by the Court on your request.

PROOF OF CLAIM

Deadline to Submit: DECEMBER 30, 2009

MONTANA FIRST JUDICIAL DISTRICT, LEWIS AND CLARK COUNTY, MONTANA
Case No.: CDV-2009-157

When Completed Send Original To: Clerk of Court And a Copy To: Eric Edward Nord, Esq.
P.O. Box 158 2708 First Ave. North, #300
Helena, MT 59624 Billings, MT 59101

Name of Creditor (The person or entity who is owed money or property):

Name and Address Where Notices Should Be Sent: Name:

Address:

Telephone Number:

Account or other number by which
creditor identifies debtor: _____

Check here if this claim ☐ replaces or
☐ amends a previously filed claim dated _____

1. Basis for Claim:

☐ Money Loaned/Invested (See #7)

☐ Other: _____

☐ Services Performed

☐ Wages, salaries, and compensation (fill out below)

☐ Goods Sold

Last four digits of SS#: _____

☐ Taxes

Unpaid compensation for services performed

from _____ to _____

(date)

(date)

2. Date claim was incurred:

3. If court judgment, state date obtained and attach a copy of the
judgment:

4. Total Amount of Claim at Time Case Filed: \$ _____ \$ _____ \$ _____
(unsecured) (secured) (Total)

☐ Check this box if claim includes interest, costs, attorneys' fees, or other charges in addition to the principal
amount of the claim. Attach itemized statement of all charges.

5. Secured Claim.

☐ Check this box if your claim is secured by collateral

Brief description of collateral:

☐ Real Estate

☐ Motor Vehicle

☐ Other _____

Value of Collateral: _____

6. Unsecured Claim. \$ _____

7. If you loaned or invested any money, state the total money invested or loaned for all
investments or loans made:

Less: All income or interest received from these loans/investments:

Less: All return of principal funds received from any of the loans/investments:

Less: Any proceeds from a liquidation or foreclosure involving any of the loans/investments:

Total net economic damages resulting from loan/investment activity:

Amount

\$ _____

\$ _____

\$ _____

\$ _____

\$ _____

8. Supporting Documents: Attach copies of supporting documents, such as promissory notes, purchase orders,
invoices, itemized statements of running accounts, contracts, court judgments, or evidence of security interests. DO
NOT SEND ORIGINAL DOCUMENTS. If the documents are not available, explain.

Date

Sign and print the name and title of the creditor or other person authorized to file this claim (attach a copy of
power of attorney, if any)